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North Used FBI-Agent Link to Operatives Outside Government, Evidence Suggests

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WASHINGTON — Congressional investigators believe that Lt. Col. Oliver North used a Federal Bureau of Investigation agent as his link to a network of free-lance intelligence operatives who worked outside of normal government channels.

Investigators said they have uncovered information indicating that a New York-based FBI agent, whom they declined to identify, "served as a liaison" for a number of private, loosely organized citizen groups that provided Col. North with intelligence data they gathered while supporting Nicaraguan insurgents and a variety of anti-communist causes in other countries.

The FBI agent's involvement with such groups, which hadn't been disclosed previously, raises questions about the bureau's independence and internal management controls. Investigators want to determine whether any of the agent's superiors in New York or Washington knew about or approved the unusual arrangement.

The FBI declined to comment or allow investigators to interview the agent allegedly involved with Col. North, and Col. North's attorney has declined to respond to questions from reporters.

According to one congressional investigator, the FBI agent in New York communicated regularly with Col. North, funneled information to him and passed back messages and instructions from Col. North to the private groups. Investigators said the groups include U.S. businessmen and weapons-dealers who for years have secretly provided information to the National Security Council and other government agencies about Iranian arms purchases, Latin American politics and various other subjects.

Separately, government and congressional investigators asserted that Col. North also may have obtained information outside the usual channels about a criminal investigation from a second FBI agent in Miami.

Law-enforcement officials said that the agent, who also hasn't been identified,

wrote a memo distributed to Col. North and others in early 1986 about the status of a politically sensitive criminal investigation of alleged arms-smuggling to Nicaraguan rebels, or Contras. The investigation, which began in 1985 and still hasn't been completed, could have exposed efforts by Col. North to assist the Contras during a period when Congress banned U.S. military aid to the guerrilla forces.

Justice Department spokesman Patrick Korten yesterday confirmed that the memo "appears to have been transmitted to Col. North," but he said it never went through Justice Department or FBI headquarters in Washington. Mr. Korten said Attorney General Edwin Meese and other senior Justice Department officials weren't aware of specific contacts between Col. North and lower-level FBI officials.

Files on pending criminal investigations typically aren't available to anyone outside the Justice Department, and FBI spokesmen asserted that such a memo from an agent to Col. North "would be totally unauthorized." The FBI generally requires agents in the field to alert their superiors about contacts with White House aides or other high-ranking administration officials.

Lawrence Walsh, the independent counsel investigating the Iran-Contra affair, is looking into the Justice Department's handling of the Miami probe, in which a grand jury began hearing evidence late last year, according to law-enforcement and congressional sources. Mr. Walsh's office declined to comment.

The sources said the latest disclosures have prompted Mr. Walsh, several congressional committees and the FBI's top management to step up efforts to determine the extent and nature of the contacts between the FBI and Col. North before he was fired as a National Security Council aide last November.

Details about one little-known, private intelligence-gathering group — Long Island, N.Y.-based National Freedom Institute — and its dealings with Col. North were first reported by Long Island's Newsday last

month. But that report didn't indicate there was direct involvement by any FBI official with the group.

Investigators confirmed earlier reports that Solomon Schwartz, a Monsey, N.Y., arms dealer, was a member of the group. Mr. Schwartz is under indictment on charges of plotting to ship military equipment to the Soviet Union, Poland, Iraq and Argentina.

Federal prosecutors have said he is under investigation for allegedly trying later to sell military airplane parts to Iran. Mr. Schwartz has maintained that Col. North knew about some of the transactions, but Justice Department lawyers have denied that.

Mr. Schwartz and his attorney couldn't be reached for comment.

Separately, some House investigators are looking into Col. North's use of two Drug Enforcement Administration agents in 1985 during an unsuccessful bid to release American hostages held in Lebanon. The involvement of the DEA, which like the FBI is an arm of the Justice Department, was first disclosed two months ago by the presidentially appointed Tower Commission.